GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1146
ANSWERED ON:22.07.2016
Sick Companies Board
Sreeramulu Shri B.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set up the Board for Industrial and Financial Reconstruction (BIFR) to seek information about sick and potentially sick companies;
(b) if so, the details thereof;
(c) whether the BIFR has given any recommendation on the Tungabhadra Steel Products Limited Hospete in Bellary district of Karnataka;
(d) if so, the details thereof; and
(e) the response of the Government thereon?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): The Board for Industrial and Financial Reconstruction (BIFR) was set up in 1987 as a Quasi- Judicial body under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with a view to secure the timely detection of sick and potentially sick companies and for their possible revival/rehabilitation.

(c), (d) & (e): As per the information provided by BIFR, M/s. Tungabhadra Steel Products Limited, a Public Sector Undertaking, was registered as a sick industrial company in 2004 as BIFR Case No. 505/2004.

The Bench of BIFR held hearings in this matter from 2004 to 2016. In its final hearing held on 12.05.2016, the Bench confirmed its earlier prima-facie opinion formed on 27.11.2013 to wind up the company in terms of Section 20(1) of the SICA.

This opinion of the Board was forwarded to the Hon'ble High Court of Karnataka. M/s. Tungabhadra Steel Products Ltd., is no longer under the purview of the BIFR.

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